DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800   JUN 2 0 2007

In reply refer to:
I-07/007898-STR/RQT

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Defense Security Cooperation Agency (DSCA) POM-09 Draft Program
Decision Memorandum for Foreign Military Sales (FMS) Administrative
and Foreign Military Financing (FMF) Administrative Funding

Reference: Planning and Programming Guidance for the Security Cooperation
Community, POM-09, dated March 13, 2007

     This Program Decision Memorandum (PDM) for FMS and FMF Admin funding
in Fiscal Years 2009 – 2011 provides funding levels and resource objectives in response
to the Implementing Agencies (IA) POM-09 submissions. This is issued in draft to allow
time for comment. It will become final in two weeks. At that time, IAs will align
resources in the Enterprise Planner to conform to the new funding baseline.

     My staff and I reviewed your POM submissions carefully. Target funding levels
for FY 2009-2011 are shown in Appendix I.A and I.B. These levels address the priorities
outlined in the Planning and Programming Guidance. These priorities include assuring
the financial health of our community, in particular aligning funding to support Standard
Level of Service. Other objectives include support of active programs and product lines,
dealing with fluctuating levels of FMS annual sales, completing current IT system
initiatives, and pursuing process improvement. Appendix II provides information on how
these targets support priorities.

     This use of Planning, Programming, Budgeting, and Execution (PPBE) helps align
funding and manpower to support the future mission of this community. This structured
approach will continue to help us achieve our mission through the focused allocation of
resources.

Richard J. Millies
Deputy Director

Attachments:
As stated

<u>Distribution</u>:

DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR DEFENSE
  EXPORTS AND COOPERATION
  ATTN: DASA (DE&C)/SAAL-NP
  DEPARTMENT OF THE ARMY

DEPUTY ASSISTANT SECRETARY OF THE NAVY
  (INTERNATIONAL PROGRAMS)
  DEPARTMENT OF THE NAVY

DEPUTY UNDER SECRETARY OF THE AIR FORCE
  (INTERNATIONAL AFFAIRS)
  DEPARTMENT OF THE AIR FORCE

DIRECTOR, DEFENSE LOGISTICS AGENCY

DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE-
  DENVER CENTER

DIRECTOR, DEFENSE INSTITUTE OF INTERNATIONAL LEGAL
  STUDIES

DIRECTOR, DEFENSE INSTITUTE OF SECURITY ASSISTANCE
  MANAGEMENT

DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY

DEFENSE CONTRACT MANAGEMENT AGENCY

DIRECTOR, NATIONAL SECURITY AGENCY

Appendix I.A

FY 09 – FY 11 FMS Admin PDM Summary

IA	FY 09	FY 10	FY 11
Army	$85,995	$89,303	$91,652
Navy	$61,535	$63,819	$65,431
Air Force	$90,528	$93,993	$96,084
DSCA HQ	$43,197	$36,766	$37,675
Community Programs	$25,801	$23,112	$23,976
Overseas	$38,708	$39,827	$41,022
DIILS	$30	$31	$32
DCMA	$616	$628	$640
DFAS	$25,750	$26,600	$27,398
DISA	$238	$241	$249
DCWO	$2,017	$2,080	$2,142
DISAM	$7,064	$7,289	$7,508
DSADC	$11,889	$12,116	$12,448
DLA	$246	$257	$265
NGA	$589	$610	$627
NSA	$797	$828	$851
Total	**$395,000**	**$397,500**	**$408,000**

FY 09 – FY 11 FMF Admin PDM Summary

IA	FY 09	FY 10	FY 11
Army	$1,985	$2,053	$2,094
Navy	$1,813	$1,848	$1,883
Air Force	$1,520	$1,550	$1,581
DSCA HQ	$4,573	$4,522	$4,615
Community Programs	$655	$668	$681
Overseas	$37,175	$38,440	$39,209
DFAS	$700	$724	$738
Total	**$48,421**	**$49,805**	**$50,801**

Note: Dollars in Thousands, totals may not add due to rounding

Agency	Program	FY09 PG	FY09 Delta	FY09 PDM	FY10 PG	FY10 PDM	FY11 PG	FY11 PDM
Army								
1	Support FMS	5,024	330	5,354	5,202	5,254	5,359	5,401
3	Tradeshows	27	0	27	28	28	29	29
4	Responding to Request For Proposal's (RFP's)	0	0	0	0	0	0	0
	Pre-LOA Total	**5,051**	**330**	**5,381**	**5,230**	**5,281**	**5,387**	**5,430**
10	Letter of Offer & Acceptance (LOA) Development	7,001	251	7,253	7,213	7,546	7,429	7,715
	Case Development Total	**7,001**	**251**	**7,253**	**7,213**	**7,546**	**7,429**	**7,715**
13	Acquisition	12,732	6,645	19,377	13,131	20,362	13,525	21,018
14	Case Training	5,049	0	5,049	5,221	5,221	5,378	5,378
15	Logistics	17,510	2,426	19,936	18,237	20,752	18,784	20,991
16	Financial	5,747	722	6,469	5,866	6,709	6,042	7,141
	Case Execution Total	**41,038**	**9,794**	**50,831**	**42,455**	**53,043**	**43,729**	**54,528**
19	Case/Line Closure Reconciliation & Transactions	710	0	710	734	734	756	756
	Case Closure Total	**710**	**0**	**710**	**734**	**734**	**756**	**756**
20	Workforce Development	634	-4	630	669	665	689	684
22	General Administration	8,398	-27	8,371	8,683	8,709	8,944	8,669
23	Headquarters Functions	8,458	-44	8,414	8,763	8,770	9,026	9,270
26	Information Technology (IT)	4,029	0	4,029	4,166	4,166	4,291	4,291
	Business Sustaining Total	**21,519**	**-75**	**21,444**	**22,281**	**22,309**	**22,950**	**22,915**
28	Excess Defense Articles (EDA)	377	0	377	389	389	401	308
	Other Security Cooperation Missions Total	**377**	**0**	**377**	**389**	**389**	**401**	**308**
	Total Army	**75,695**	**10,300**	**85,995**	**78,303**	**89,303**	**80,652**	**91,652**
Navy (IPO)								
1	Support FMS	3,281	50	3,331	3,837	3,826	3,952	3,925
3	Tradeshows	90	0	90	90	90	93	93
4	Responding to Request For Proposal's (RFP's)	582	-83	499	489	473	503	489
	Pre-LOA Total	**3,954**	**-33**	**3,920**	**4,416**	**4,389**	**4,548**	**4,507**
10	Letter of Offer & Acceptance (LOA) Development	5,279	-26	5,253	5,327	5,291	5,487	5,426
	Case Development Total	**5,279**	**-26**	**5,253**	**5,327**	**5,291**	**5,487**	**5,426**
13	Acquisition	11,797	6,600	18,397	11,735	19,167	12,087	19,919
14	Case Training	2,174	594	2,768	2,129	2,885	2,193	3,031
15	Logistics	13,221	1,109	14,331	13,103	14,129	13,496	14,006
16	Financial	219	800	1,019	229	1,079	236	1,136
	Case Execution Total	**27,412**	**9,103**	**36,515**	**27,196**	**37,259**	**28,012**	**38,092**
19	Case/Line Closure Reconciliation & Transactions	1,946	29	1,976	1,975	2,022	2,034	2,082
	Case Closure Total	**1,946**	**29**	**1,976**	**1,975**	**2,022**	**2,034**	**2,082**
20	Workforce Development	665	103	768	666	768	686	788
22	General Administration	5,796	52	5,848	6,293	6,388	6,482	6,595
23	Headquarters Functions	5,045	-157	4,888	5,611	5,428	5,779	5,599
26	Information Technology (IT) Systems	1,639	503	2,142	2,038	2,038	2,100	2,100
	Business Sustaining Total	**13,146**	**501**	**13,646**	**14,608**	**14,623**	**15,046**	**15,081**
28	Excess Defense Articles (EDA)	199	25	224	197	235	203	242
	Other Security Cooperation Missions Total	**199**	**25**	**224**	**197**	**235**	**203**	**242**
	Total Navy (IPO)	**51,935**	**9,600**	**61,535**	**53,719**	**63,819**	**55,331**	**65,431**

Appendix IB
Program Decision Memorandum, POM-09
FMS Admin Targets
$ Thousands

Agency	Program	FY09 PG	FY09 Delta	FY09 PDM	FY10 PG	FY10 PDM	FY11 PG	FY11 PDM
Air Force (SAFIA)								
1	Support FMS	3,129	272	3,401	3,160	3,578	3,255	3,582
3	Tradeshows	75	0	75	78	78	80	78
4	Responding to Request For Proposal's (RFP's)	421	14	435	436	450	449	460
	Pre-LOA Total	**3,625**	**286**	**3,911**	**3,674**	**4,107**	**3,784**	**4,120**
10	Letter of Offer & Acceptance (LOA) Development	5,496	98	5,594	5,651	5,637	5,821	5,641
	Case Development Total	**5,496**	**98**	**5,594**	**5,651**	**5,637**	**5,821**	**5,641**
13	Acquisition	5,076	8,871	13,947	5,453	15,468	5,616	15,982
14	Case Training	2,635	616	3,251	2,699	3,397	2,780	3,565
15	Logistics	30,876	3,732	34,608	31,848	35,280	32,803	35,693
16	Financial	5,153	-16	5,137	5,382	5,380	5,543	6,059
	Case Execution Total	**43,740**	**13,202**	**56,942**	**45,381**	**59,525**	**46,743**	**61,299**
19	Case/Line Closure Reconciliation & Transactions	1,601	65	1,666	1,720	1,787	1,771	1,793
	Case Closure Total	**1,601**	**65**	**1,666**	**1,720**	**1,787**	**1,771**	**1,793**
20	Workforce Development	1,107	51	1,158	1,145	1,158	1,179	1,159
22	General Administration	5,610	34	5,643	5,777	5,840	5,950	5,760
23	Headquarters Functions	10,265	-350	9,915	10,571	10,234	10,888	10,416
26	Information Technology (IT)	5,585	114	5,699	5,775	5,707	5,948	5,897
	Business Sustaining Total	**22,567**	**-151**	**22,415**	**23,268**	**22,938**	**23,966**	**23,232**
	Total Air Force (SAFIA)	**77,028**	**13,500**	**90,528**	**79,693**	**93,993**	**82,084**	**96,084**
DSCA Headquarters								
1	Support FMS	264	-2	262	272	270	280	280
3	Tradeshows	24	14	38	24	39	25	40
4	Responding to Request For Proposal's (RFP's)	200	0	200	204	204	210	208
6	SAOs/Combatant Commands	136	5	141	140	145	144	150
	Pre-LOA Total	**624**	**17**	**641**	**641**	**658**	**660**	**678**
10	Letter of Offer & Acceptance (LOA) Development	207	-65	141	219	146	225	151
	Case Development Total	**207**	**-65**	**141**	**219**	**146**	**225**	**151**
16	Financial	1,507	459	1,966	1,554	2,025	1,601	2,098
	Case Execution Total	**1,507**	**459**	**1,966**	**1,554**	**2,025**	**1,601**	**2,098**
19	Case/Line Closure Reconciliation & Transactions	3	-3	0	3	0	4	0
	Case Closure Total	**3**	**-3**	**0**	**3**	**0**	**4**	**0**
20	Workforce Development	270	131	401	275	410	284	415
22	General Administration	5,142	-766	4,376	5,281	4,486	5,440	4,605
23	Headquarters Functions	23,560	11,506	35,066	27,989	28,421	28,828	29,098
26	Information Technology (IT)	506	100	606	517	619	532	631
	Business Sustaining Total	**29,478**	**10,971**	**40,449**	**34,062**	**33,937**	**35,084**	**34,750**
	Total DSCA	**31,819**	**11,378**	**43,197**	**36,479**	**36,766**	**37,573**	**37,676**
Community Programs								
23	Headquarters Functions	95	-95	0	100	0	103	0
26	Information Technology (IT)	26,660	-860	25,801	23,906	23,112	24,622	23,976
26.07	DSAMS	17,473	-1,316	16,157	4,524	11,452	4,660	11,710
26.09	Portal (SCIP)	986	392	1,378	999	1,407	1,029	1,621
26.08	Case Execution Management Information System	0	0	0	5,000	1,807	5,150	2,016
26.11	General (DISA Legacy, SAN)	8,202	64	8,266	13,382	8,446	13,783	8,628
	Business Sustaining Total	**26,755**	**-955**	**25,801**	**24,006**	**23,112**	**24,725**	**23,976**
	Total Community Programs	**26,755**	**-955**	**25,801**	**24,006**	**23,112**	**24,725**	**23,976**
Overseas								
6	SAOs/Combatant Commands	38,708	0	38,708	39,827	39,827	41,022	41,022
	Pre-LOA Total	**38,708**	**0**	**38,708**	**39,827**	**39,827**	**41,022**	**41,022**
	Total Combatant Commands	**38,708**	**0**	**38,708**	**39,827**	**39,827**	**41,022**	**41,022**
DIILS								
22	General Administration	30	0	30	31	31	32	32
	Business Sustaining Total	**30**	**0**	**30**	**31**	**31**	**32**	**32**
	Total DIILS	**30**	**0**	**30**	**31**	**31**	**32**	**32**

Appendix IB
Program Decision Memorandum, POM-09
FMS Admin Targets
$ Thousands

Agency	Program	FY09 PG	FY09 Delta	FY09 PDM	FY10 PG	FY10 PDM	FY11 PG	FY11 PDM
DCMA								
13	Acquisition	391	20	411	405	416	417	421
16	Financial	205	0	205	212	212	218	218
	Case Execution Total	**596**	**20**	**616**	**617**	**628**	**636**	**640**
	Total DCMA	**596**	**20**	**616**	**617**	**628**	**636**	**640**
DFAS								
16	Financial	25,750	0	25,750	26,600	26,600	27,398	27,398
	Case Execution Total	**25,750**	**0**	**25,750**	**26,600**	**26,600**	**27,398**	**27,398**
	Total DFAS	**25,750**	**0**	**25,750**	**26,600**	**26,600**	**27,398**	**27,398**
DISA								
13	Acquisition	231	7	238	239	241	246	249
	Case Execution Total	**231**	**7**	**238**	**239**	**241**	**246**	**249**
	Total DISA	**231**	**7**	**238**	**239**	**241**	**246**	**249**
DISAM								
20	Workforce Development	6,119	-467	5,652	6,315	5,810	6,504	5,960
26	Information Technology (IT)	850	562	1,412	874	1,479	901	1,548
	Business Sustaining Total	**6,969**	**95**	**7,064**	**7,189**	**7,289**	**7,405**	**7,508**
	Total DISAM	**6,969**	**95**	**7,064**	**7,189**	**7,289**	**7,405**	**7,508**
DCWO								
10	Letter of Offer & Acceptance (LOA) Development	2,127	-141	1,986	2,194	2,048	2,260	2,109
	Case Development Total	**2,127**	**-141**	**1,986**	**2,194**	**2,048**	**2,260**	**2,109**
20	Workforce Development	31	0	31	32	32	33	33
	Business Sustaining Total	**31**	**0**	**31**	**32**	**32**	**33**	**33**
	Total DCWO	**2,158**	**-141**	**2,017**	**2,226**	**2,080**	**2,293**	**2,142**
DSADC								
20	Workforce Development	60	28	88	61	90	63	92
23	Headquarters Functions	701	77	777	716	794	738	812
26	Information Technology (IT)	8,374	2,650	11,024	8,651	11,232	8,910	11,544
	Business Sustaining Total	**9,135**	**2,755**	**11,889**	**9,428**	**12,116**	**9,711**	**12,448**
	Total DSADC	**9,135**	**2,755**	**11,889**	**9,428**	**12,116**	**9,711**	**12,448**
DLA								
1	Support FMS	17	0	17	17	17	17	17
	Pre-LOA Total	**17**	**0**	**17**	**17**	**17**	**17**	**17**
13	Acquisition	46	8	54	47	56	48	58
15	Logistics	78	0	78	83	83	85	84
16	Financial	19	0	19	19	19	20	20
	Case Execution Total	**143**	**8**	**151**	**149**	**158**	**153**	**163**
19	Case/Line Closure Reconciliation & Transactions	42	0	42	44	44	46	46
	Case Closure Total	**42**	**0**	**42**	**44**	**44**	**46**	**46**
20	Workforce Development	1	0	1	1	1	1	1
22	General Administration	35	0	35	37	37	38	38
	Business Sustaining Total	**36**	**0**	**36**	**38**	**38**	**39**	**39**
	Total DLA	**238**	**8**	**246**	**248**	**257**	**255**	**265**
NGA								
1	Support FMS	195	0	195	202	202	208	208
	Pre-LOA Total	**195**	**0**	**195**	**202**	**202**	**208**	**208**
13	Acquisition	377	17	394	391	408	403	419
	Case Execution Total	**377**	**17**	**394**	**391**	**408**	**403**	**419**
	Total NGA	**572**	**17**	**589**	**593**	**610**	**611**	**627**

Agency	Program	FY09 PG	FY09 Delta	FY09 PDM	FY10 PG	FY10 PDM	FY11 PG	FY11 PDM
NSA								
13	Acquisition	442	25	467	473	498	487	509
16	Financial	200	0	200	200	200	206	207
	Case Execution Total	**642**	**25**	**667**	**673**	**698**	**693**	**716**
23	Headquarters Functions	130	0	130	130	130	134	135
	Business Sustaining Total	**130**	**0**	**130**	**130**	**130**	**134**	**135**
	Total NSA	**772**	**25**	**797**	**803**	**828**	**827**	**851**
	Total Army	75,695	10,300	85,995	78,303	89,303	80,652	91,652
	Total Navy (IPO)	51,935	9,600	61,535	53,719	63,819	55,331	65,431
	Total Air Force (SAFIA)	77,028	13,500	90,528	79,693	93,993	82,084	96,084
	Total DSCA Headquarters	31,819	11,378	43,197	36,479	36,766	37,573	37,676
	Total Community Programs	26,755	-955	25,801	24,006	23,112	24,725	23,976
	Total Overseas	38,708	0	38,708	39,827	39,827	41,022	41,022
	Total DIILS	30	0	30	31	31	32	32
	Total DCMA	596	20	616	617	628	636	640
	Total DFAS	25,750	0	25,750	26,600	26,600	27,398	27,398
	Total DISA	231	7	238	239	241	246	249
	Total DCWO	2,158	-141	2,017	2,226	2,080	2,293	2,142
	Total DISAM	6,969	95	7,064	7,189	7,289	7,405	7,508
	TOTAL DSADC	9,135	2,755	11,889	9,428	12,116	9,711	12,448
	Total DLA	238	8	246	248	257	255	265
	Total NGA	572	17	589	593	610	611	627
	Total NSA	772	25	797	803	828	827	851
	Grand Total	**348,391**	**46,609**	**395,000**	**360,000**	**397,500**	**370,800**	**408,000**
	Core Function Totals							
	Pre-LOR Total	52,173	600	52,773	54,007	54,481	55,627	55,981
	Case Development Total	20,110	117	20,227	20,604	20,668	21,222	21,042
	Case Execution Total	141,436	32,636	174,071	145,255	180,585	149,613	185,601
	Case Closure Total	4,302	91	4,393	4,476	4,587	4,610	4,677
	Business Sustaining Total	129,795	13,140	142,935	135,072	136,555	139,123	140,148
	Other Security Cooperation Missions Total	576	25	601	587	625	604	551
	Grand Total	**348,391**	**46,609**	**395,000**	**360,000**	**397,500**	**370,800**	**408,000**
	Program Element Totals							
1	Support FMS	11,910	650	12,559	12,691	13,147	13,071	13,413
3	Tradeshows	216	14	230	220	235	227	239
4	Responding to RFPs	1,203	-69	1,134	1,129	1,127	1,163	1,157
6	SAOs/Combatant Commands	38,844	5	38,849	39,967	39,972	41,166	41,172
10	Letter of Offer & Acceptance (LOA) Development	20,110	117	20,227	20,604	20,668	21,222	21,042
13	Acquisition	31,092	22,193	53,285	31,874	56,616	32,830	58,577
14	Case Training	9,859	1,210	11,068	10,049	11,502	10,351	11,973
15	Logistics	61,685	7,267	68,953	63,270	70,244	65,168	70,774
16	Financial	38,800	1,965	40,765	40,062	42,224	41,264	44,277
19	Case/Line Closure Reconciliation & Transactions	4,302	91	4,393	4,476	4,587	4,610	4,677
20	Workforce Development	8,887	-158	8,729	9,164	8,933	9,439	9,133
22	General Administration	25,010	-708	24,303	26,102	25,491	26,885	25,699
23	Headquarters Functions	48,254	10,937	59,191	53,879	53,777	55,496	55,330
26	Information Technology (IT)	47,644	3,069	50,713	45,926	48,353	47,304	49,986
27	End Use Monitoring (EUM)	0	0	0	0	0	0	0
28	Excess Defense Articles (EDA)	576	25	601	587	625	604	551
	Grand Total	**348,391**	**46,609**	**395,000**	**360,000**	**397,500**	**370,800**	**408,000**

Appendix IB
Program Decision Memorandum, POM-09
FMF Admin Targets
$ Thousands

Agency	Program	FY09 PG	FY09 Delta	FY09 PDM	FY10 PG	FY10 PDM	FY11 PG	FY11 PDM
Army								
27	End Use Monitoring (EUM)	52	0	52	54	54	55	55
32	International Military Education & Training (IMET)	1,933	0	1,933	1,999	1,999	2,039	2,039
	Other Security Cooperation Missions Total	**1,985**	**0**	**1,985**	**2,053**	**2,053**	**2,094**	**2,094**
	Total Army	**1,985**	**0**	**1,985**	**2,053**	**2,053**	**2,094**	**2,094**
Navy (IPO)								
32	International Military Education & Training (IMET)	1,713	100	1,813	1,748	1,848	1,783	1,883
	Other Security Cooperation Missions Total	**1,713**	**100**	**1,813**	**1,748**	**1,848**	**1,783**	**1,883**
	Total Navy	**1,713**	**100**	**1,813**	**1,748**	**1,848**	**1,783**	**1,883**
Air Force (SAFIA)								
32	International Military Education & Training (IMET)	1,520	0	1,520	1,550	1,550	1,581	1,581
	Other Security Cooperation Missions Total	**1,520**	**0**	**1,520**	**1,550**	**1,550**	**1,581**	**1,581**
	Total Air Force	**1,520**	**0**	**1,520**	**1,550**	**1,550**	**1,581**	**1,581**
DSCA Headquarters								
6	Security Assistance Offices (SAO) & Unified Commands	125	-125	0	129	0	132	0
	Pre-LOA	**125**	**-125**	**0**	**129**	**0**	**132**	**0**
20	Workforce Development	24	0	24	24	24	25	24
23	Headquarters Functions	3,021	-139	2,883	2,919	2,784	2,978	2,819
	Business Sustaining Total	**3,045**	**-139**	**2,906**	**2,943**	**2,808**	**3,002**	**2,844**
27	End Use Monitoring (EUM)	767	58	824	789	848	805	876
28	Excess Defense Articles (EDA)	164	5	169	168	172	172	176
31	Foreign Military Financing (FMF) Administration	625	30	655	645	675	658	700
32	International Military Education & Training (IMET)	19	0	19	19	19	20	20
	Other Security Cooperation Missions Total	**1,574**	**93**	**1,667**	**1,622**	**1,714**	**1,654**	**1,771**
	Total DSCA	**4,744**	**-171**	**4,573**	**4,694**	**4,522**	**4,788**	**4,615**
Community Programs								
27	End Use Monitoring (EUM)	584	71	655	596	668	608	681
	Business Sustaining Total	**584**	**71**	**655**	**596**	**668**	**608**	**681**
	Total Community Programs	**584**	**71**	**655**	**596**	**668**	**608**	**681**
Overseas								
6	SAOs/Combatant Commands	37,175	0	37,175	38,440	38,440	39,209	39,209
	Pre-LOA	**37,175**	**0**	**37,175**	**38,440**	**38,440**	**39,209**	**39,209**
	Total Combatant Commands	**37,175**	**0**	**37,175**	**38,440**	**38,440**	**39,209**	**39,209**
DFAS								
16	Financial	700	0	700	724	724	738	738
	Case Execution Total	**700**	**0**	**700**	**724**	**724**	**738**	**738**
	Total DFAS	**700**	**0**	**700**	**724**	**724**	**738**	**738**

PG as published in Mar 13, 2007 DSCA Planning and Programming Guidance

Agency	Program	FY09 PG	FY09 Delta	FY09 PDM	FY10 PG	FY10 PDM	FY11 PG	FY11 PDM
	Total Army	1,985	0	1,985	2,053	2,053	2,094	2,094
	Total Navy (IPO)	1,713	100	1,813	1,748	1,848	1,783	1,883
	Total Air Force (SAFIA)	1,520	0	1,520	1,550	1,550	1,581	1,581
	Total DSCA Headquarters	4,744	-171	4,573	4,694	4,522	4,788	4,615
	Total Community Programs	584	71	655	596	668	608	681
	Total Overseas	37,175	0	37,175	38,440	38,440	39,209	39,209
	Total DFAS	700	0	700	724	724	738	738
	Grand Total	**48,421**	**0**	**48,421**	**49,805**	**49,805**	**50,801**	**50,801**
	Core Function Totals							
	Pre-LOR Total	37,300	-125	37,175	38,569	38,440	39,340	39,209
	Case Execution Total	700	0	700	724	724	738	738
	Business Sustaining Total	3,629	-68	3,561	3,539	3,476	3,610	3,525
	Other Security Cooperation Missions Total	6,792	193	6,985	6,973	7,165	7,113	7,329
	Grand Total	**48,421**	**0**	**48,421**	**49,805**	**49,805**	**50,801**	**50,801**
	Program Element Totals							
6	SAOs/Combatant Commands	37,300	-125	37,175	38,569	38,440	39,340	39,209
16	Financial	700	0	700	724	724	738	738
20	Workforce Development	24	0	24	24	24	25	24
23	Headquarters Functions	3,021	-139	2,883	2,919	2,784	2,978	2,819
27	End Use Monitoring (EUM)	1,403	129	1,531	1,439	1,570	1,468	1,613
28	Excess Defense Articles (EDA)	164	5	169	168	172	172	176
31	Foreign Military Financing (FMF) Administration	625	30	655	645	675	658	700
32	International Military Education & Training (IMET)	5,185	100	5,285	5,316	5,416	5,423	5,523
	Grand Total	**48,421**	**0**	**48,421**	**49,805**	**49,805**	**50,801**	**50,801**

PG as published in Mar 13, 2007 DSCA Planning and Programming Guidance

Appendix II
POM-09 Program Decision Memorandum
Funding Targets In Support of Objectives

Objectives. Last year's FMS/FMF Admin POM (covering FY 2008-2010) lowered funding levels to support balancing the FMS Admin Trust Fund, complete the DSAMS Training Module (TM) and allow conversion of DSAMS from Forte to a more supportable computer language. In this programming cycle (POM-09) our objectives, as stated in the Planning and Programming Guidance, are to:

➢ Support the Security Cooperation Guidance (SCG) and Combatant Commander Theater Security Cooperation Strategies.
➢ Provide Quality Service and Properly Align Resources to Support Our Mission
➢ Assure the Viability of the FMS Enterprise
➢ Plan for Fluctuating Levels of Sales
➢ Support Active Programs and Product Lines
➢ Achieve Process Efficiencies

These objectives translate into resource goals that were established by the Programming Guidance and arranged by core function. The funding targets in Appendix I reflect these goals, summarized as follows:

- Pre LOR efforts should remain at or below the current level.
- Case Development funding should reflect savings as a result of consolidated case writing.
- Case Execution represents the activities most impacted by the increased level of sales and possible realignment of tasks due to supporting Standard Level of Service.
- Case Closure is funded at comparable past levels. Active case reconciliation efforts will help prevent a growing backlog.
- Business Sustaining.
  - Headquarters Functions and General Administration funding should remain at or below current levels
  - Workforce Development and our investment in a quality workforce remain a priority
  - Information Technology investments need to support the completion of DSAMS-TM and Forte conversion.

Funding Levels. Targets for the military departments were the result of a careful analysis of many factors, including: workload indicators (such as documents produced, case value, undelivered value, and training statistics), FMS sales in FY 2006 and 2007 (to date), FMS sales historical trends, FMS sales forecasts, IA inputs on future requirements, major product lines, support for the Global War on Terror, and support for 1206 cases. DSCA took into careful consideration the inputs provided by the military departments on methods to calculate the expected workload and requirement profiles to support Standard Level of Service (SLS).

Individual POM Submissions. Inputs from the military departments and defense agencies were of consistently high quality. The Commanders' Statements helped our understanding of the future environment and the plans by each organization to achieve their strategic objectives. DSCA concurs with all of the Zero Balance Transfers (within topline reprogramming) proposed by the Implementing Agencies. We gave careful consideration to all requests for additional funding presented as Initiatives or Disconnects. We were unable to respond favorably to all unfunded requests, either due to resource constraints, inadequate justification, or different priorities. The targets in Appendix I reflect the funding priorities discussed above and in the Programming Guidance. Ultimately, funding was targeted to support Case Execution, the area most affected by SLS, primarily Acquisition (PE-13). In some instances, Implementing Agencies (IA) requested funding via sources other than FMS Admin or that FMF Admin is insufficient to support. The targets for DSCA include an operational reserve intended to support future requirements. DSCA Strategy/Requirements will provide additional information regarding specific requests.

Information Technology. Support for IT is a key aspect of current and future funding needs. DSCA is engaged with the leadership of the military departments via the SC-5 and the IT Governance Board to examine IT requirements and lay out an IT Roadmap. These targets support DSCA's Chief Information Officer's current estimates to complete DSAMS-TM and Forte Conversion. Additional funding is provided to accelerate approved enhancements to DSAMS and to the Security Cooperation Information Portal (SCIP).

Conferences. The Programming Guidance asked that all claimants estimate the cost of significant conferences and explain how these conferences, where funded by FMS Admin, support our goals and missions. DSCA concurs with the conferences that were proposed. A list of those conferences will be posted on the Enterprise Planner. DSCA is working with the military departments to establish a tri-service conference format, alternating with a biennial DSCA Worldwide Conference, to support our strategic communications in an affordable manner.

Required Actions. The Security Cooperation Community needs to continue to identify and refine the costs required to provide the appropriate level of service via Foreign Military Sales. Implementing Agencies need to:

Ensure that manpower charges on LOA's are described accurately in LOA notes.

Relate FMS Admin funding to program and product line. Keep DSCA informed of how funding is allocated to program offices or PEO's to support active programs and end funding of programs that become inactive.

Develop methods to understand the true cost of Standard Level of Service. Keep DSCA informed on the techniques used to estimate that requirement. Address those costs during the budget cycle and during execution.

As additional resources are invested, permit the flexibility to support the movement of resources to support new active programs and products lines and deal with fluctuations in FMS sales and workload.

Reclamas and Reprogramming. In light of the resource priorities stated above, Implementing Agencies may wish to realign funding between program elements to reflect other priorities or unique organizational relationships. DSCA will support minor reprogramming of funds within the Case Execution core function (PE-13 to 16), but not to move funding to other areas such as Pre-LOR, Case Development, General Administration or IT (see paragraph 2 above). DSCA's view is that the substantial increase in funding targets Standard Level of Service and those efforts are predominantly in the Acquisition program element, and to a lesser extent, in Training, Financial, or Logistics.

Final Adjustments. When the final version of the Program Decision Memorandum is published, Implementing Agencies will need to realign funding, by sub-claimant, program element, and object classification, via the Enterprise Planner to meet the approved targets.